

BOARD OF
REGENTS
STATE OF IOWA

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FUNDING THE FUTURE: STATE APPROPRIATIONS AND STUDENT TUITION FOR IOWA'S PUBLIC UNIVERSITIES

Fiscal 2012

Attributes of College Graduates

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- Earn nearly \$1 million more than someone with only a high school degree over a lifetime.
- Less likely to use publicly funded social programs, like food stamps and welfare.
- Foster higher levels of educational attainment in their children, and are more likely to volunteer, vote, and make charitable contributions
- Pay nearly \$200,000 more in taxes than a high school dropout over a lifetime.

How Higher Education Benefits All of Iowa

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- Provides cultural centers and engines of innovation that improve lives.
- Creates jobs for a 21st century knowledge-based economy.
- Produces graduates who stay in Iowa and fill those jobs.
- Raises family incomes throughout Iowa.

Impact of Iowa's Public Universities on Jobs in Iowa

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- The University of Iowa educates 79 percent of dentists, 50 percent of physicians, and 48 percent of pharmacists in Iowa.
- The University of Northern Iowa educates 29 percent of school superintendents/principals and 23 percent of teachers in Iowa.
- Iowa State University educates 75 percent of veterinarians in Iowa.

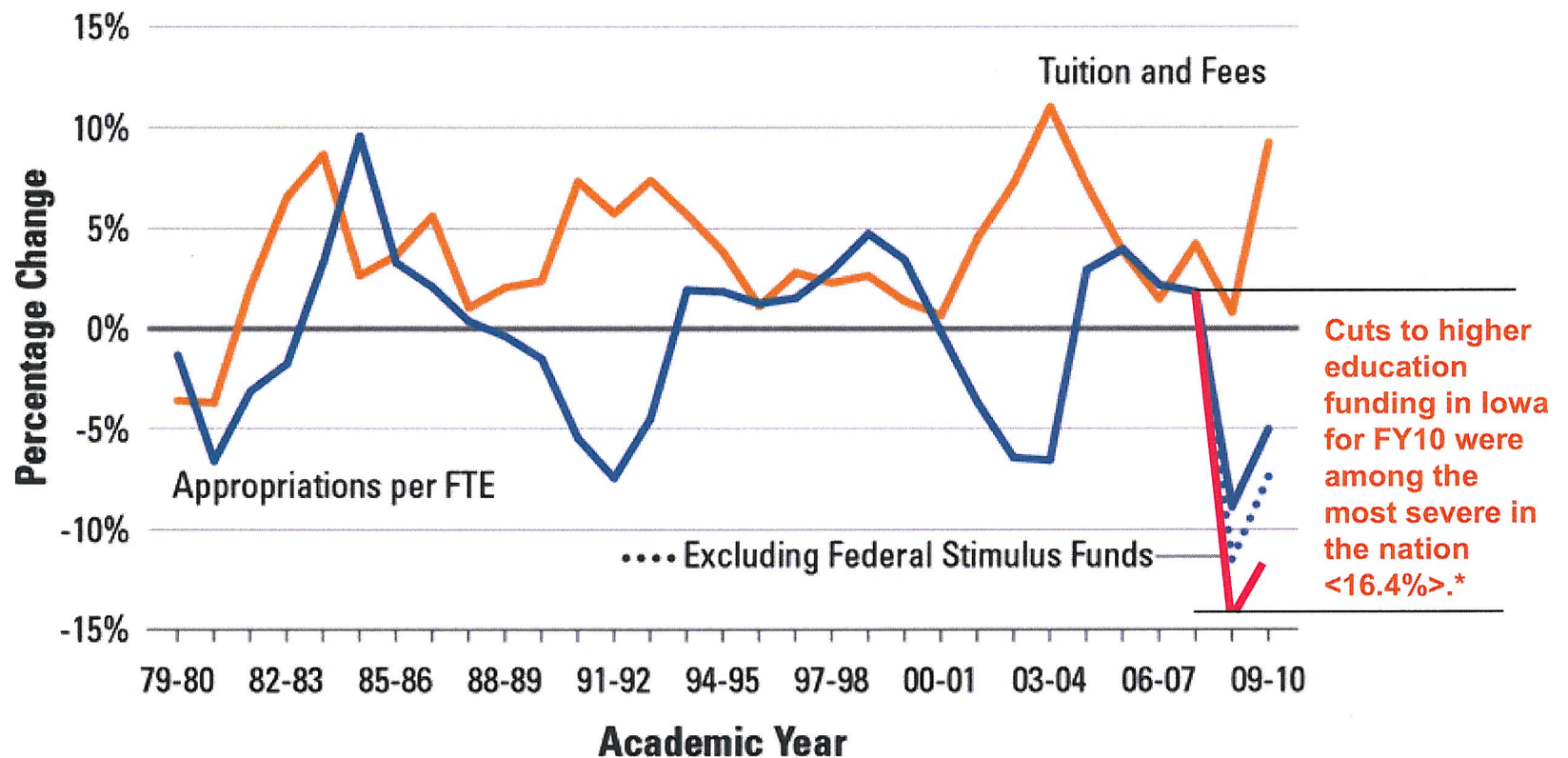
Perspective on State Appropriations

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- ❑ Iowa's Public Universities have absorbed 20 percent in cuts the last two years.
- ❑ Appropriation cuts since fiscal 2009 total \$143 million.
- ❑ In real dollars, our appropriation is the same as it was 30 years ago, despite steady enrollment growth.
- ❑ Cuts to Iowa's Public Universities last year were among the most severe in the nation.

Annual Percentage Changes in State Appropriations for Higher Education per Full-Time Equivalent (FTE) Student and in Tuition and Fees at Public Four-Year Institutions in Constant 2009 Dollars, 1979-80 to 2009-10

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SOURCE: The College Board, *Trends in College Pricing 2010*, Figure 10A.

* The initial FY10 of <21.1%> ranked Iowa 50th in the nation; after the Supplemental appropriation our rank improved to 45th.

The State Has Been Reducing Investment in Iowa's Public Universities for Years

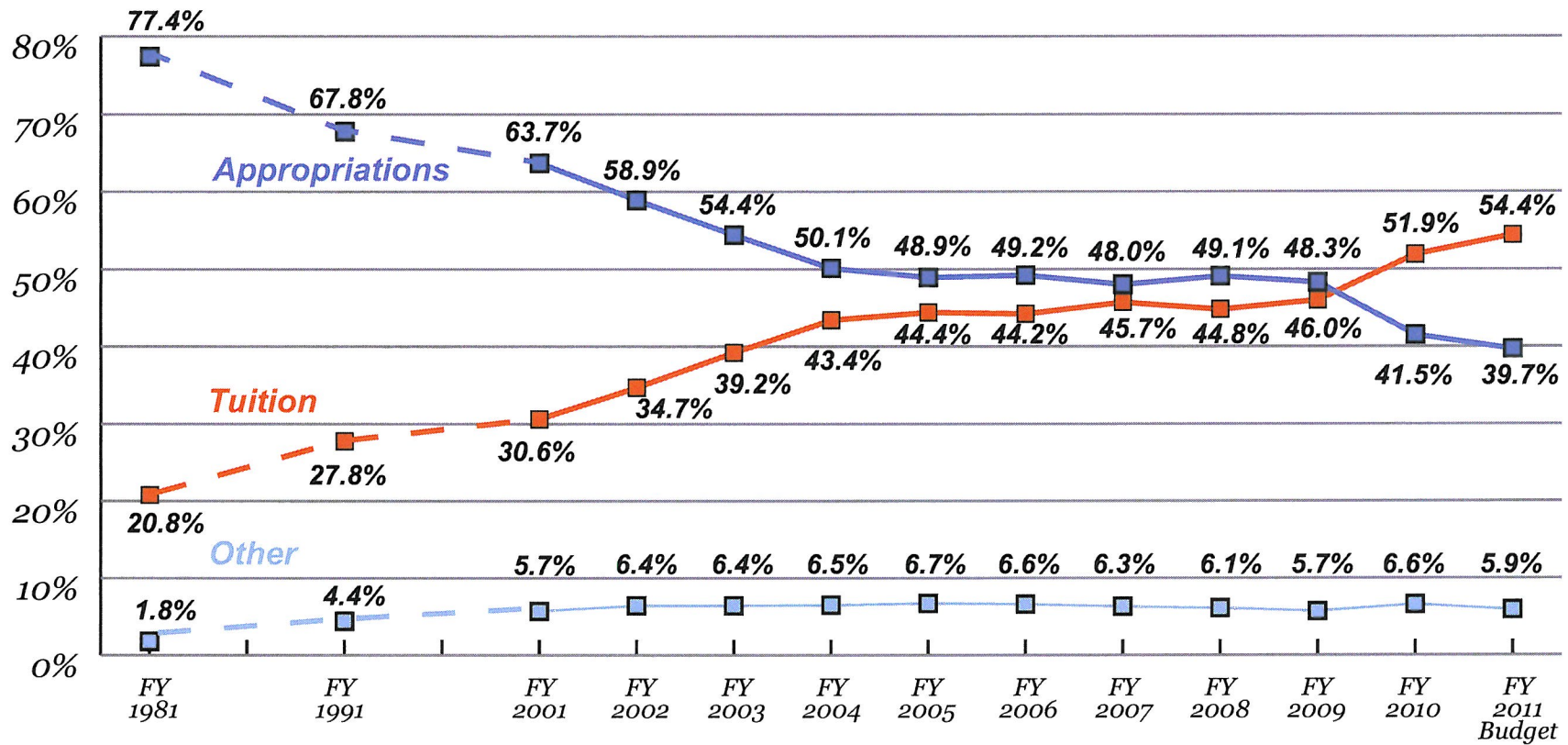
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Source: LSA's Gray Book

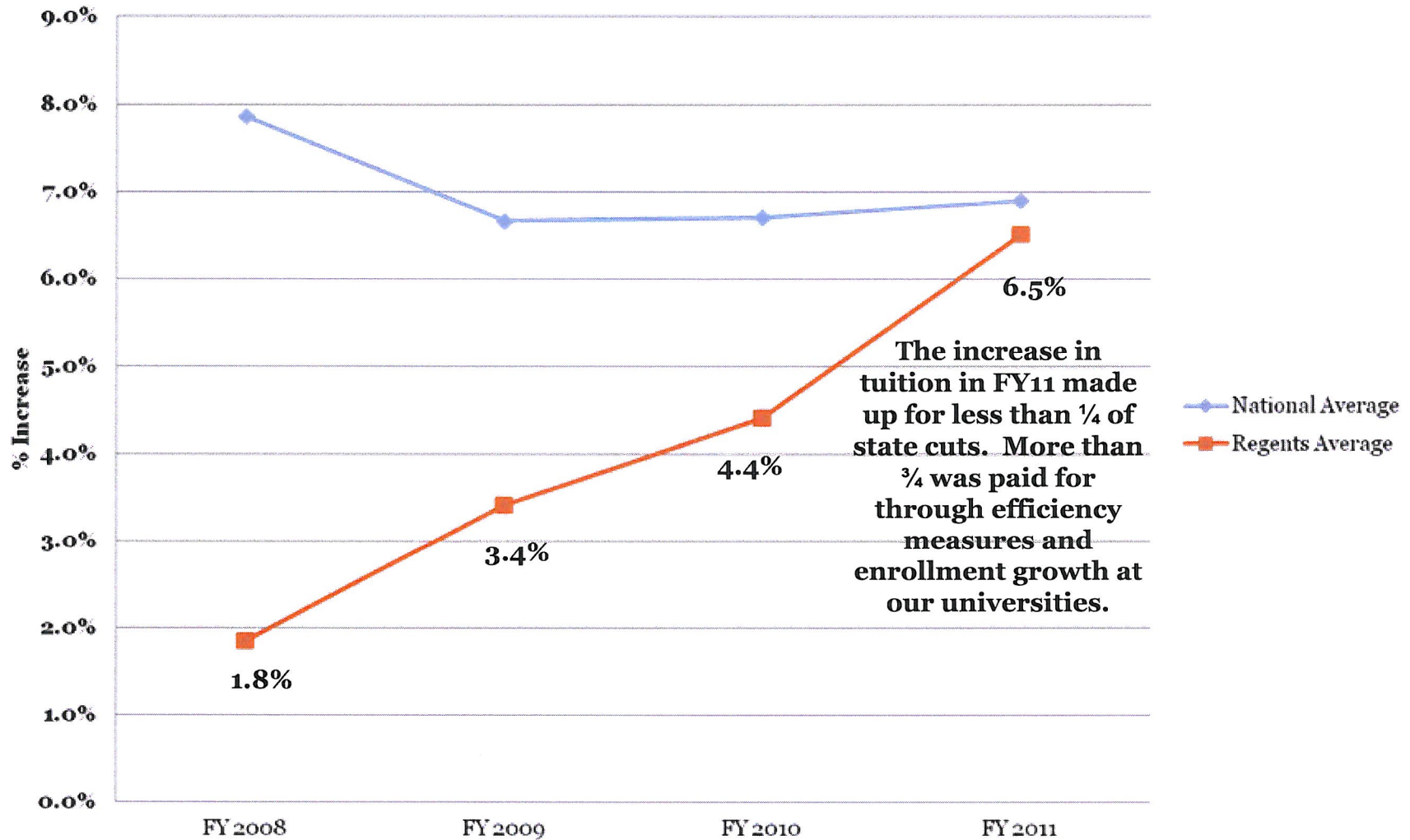
Comparison of Funding Source Per FTE Student

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Increases in Tuition & Fees Since FY 2008 Undergraduate Resident

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FY 2012 Tuition Increase Needed to Maintain Overall Funding Levels

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If the Governor's budget is approved as submitted:

- Tuition increase needed to close the gap from 2011 **12.6%***

* \$71 million (\$37 million in reduced appropriations and \$34 million in expense increases).

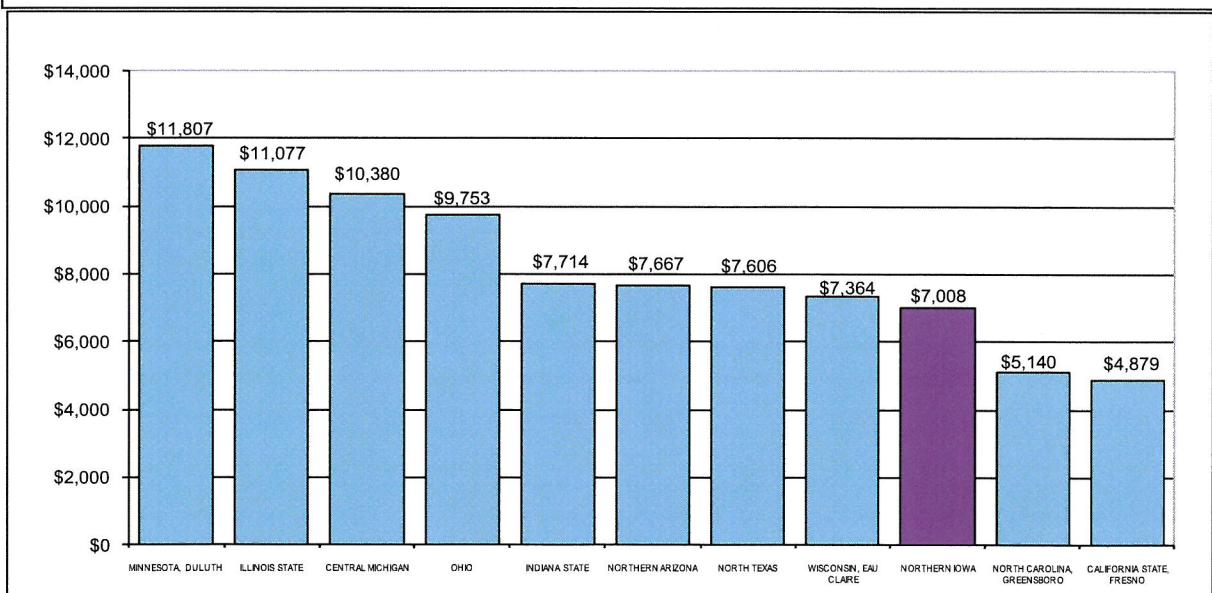
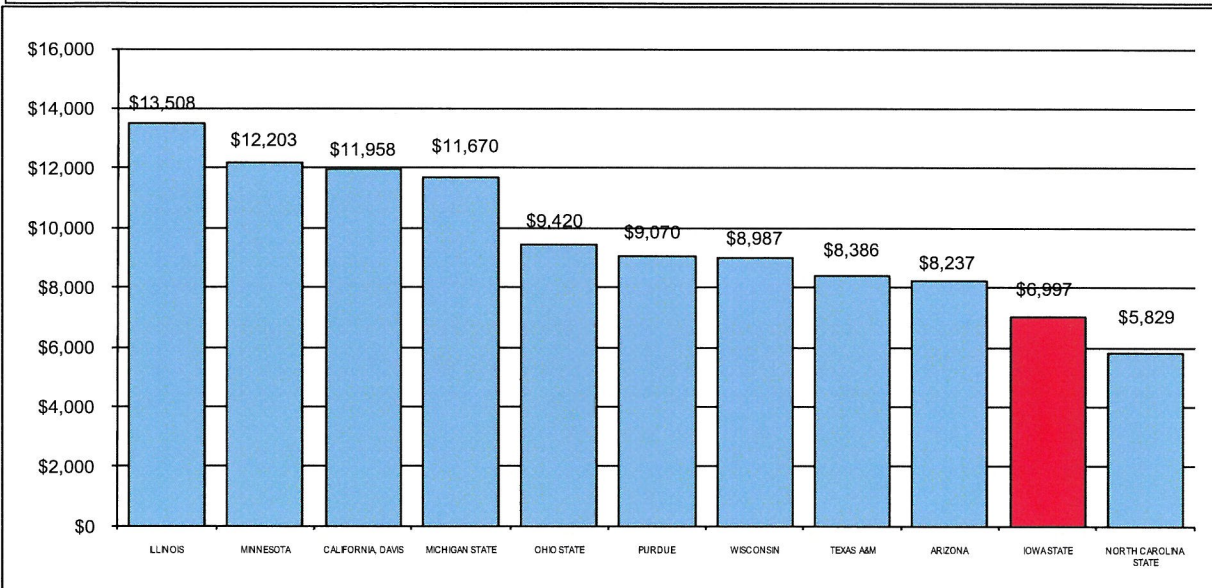
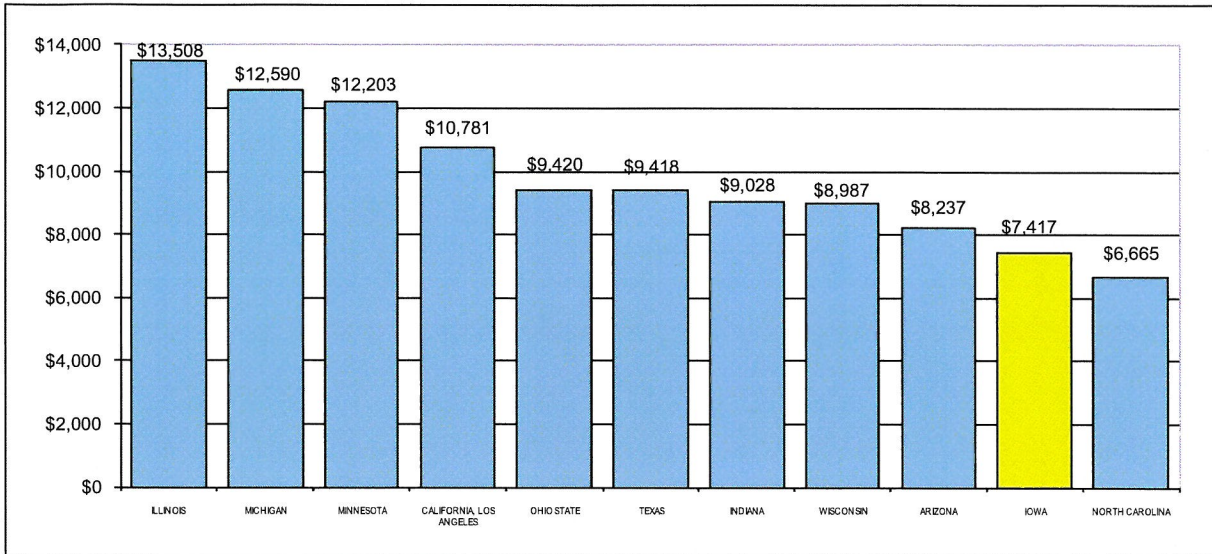
- Tuition increase needed to close the gap from 2009 **38.0%****

** \$214 million (\$180 million in reduced appropriations and \$34 million in 2012 expense increases – excludes expense increases in FY10 and FY11.

- Average tuition increase in FY2011 for public universities nationally **7.9%**

- 2012 Higher Education Price Index (“HEPI”) Forecast -- **2.2 / 3.1 / 4.0%**

Peer Group Comparisons of 2010-11 Undergraduate Resident Tuition and Fees



State Comparisons

The table below lists the ten states represented in the Regent universities peer comparison groups, along with other states contiguous to Iowa, and shows:

- Average public university resident undergraduate tuition and fees charged in each state as a percentage of each state's per capita personal income, comparing the relative amount of income paid toward tuition.
- Tuition and fees ranking within the United States, with one being the highest tuition and 50 being the lowest.
- Per Capita Income ranking within the United States with one being the highest per capital income and 50 being the lowest.

	Tuition & Fees as % of Per Capita Income		Tuition & Fees Ranking	Per Capita Income Ranking
	<u>2008-09</u>	<u>2009-10</u>	<u>2009-10</u>	<u>2009-10</u>
IOWA	17.2%	17.8%	34*	27
Arizona	16.1%	20.6%	33	42
California	20.5%	22.2%	14	11
Illinois	28.9%	30.2%	4	13
Indiana	23.9%	25.5%	18	40
Michigan	31.6%	34.0%	6	37
Minnesota	24.7%	27.0%	7	14
Missouri	23.1%	23.7%	19	32
Nebraska	16.8%	17.5%	31	20
North Carolina	15.3%	16.2%	40	36
Ohio	24.1%	24.5%	17	34
South Dakota	15.1%	16.9%	37	25
Texas	22.3%	22.9%	16	24
Wisconsin	20.0%	22.2%	20	29
Average of above	21.7%	23.3%		
NATIONAL AVERAGE	18.6%	19.4%		

Sources: Washington Higher Education coordinating Board, Tuition and Fee Rates, A National Comparison, March 2010, and US Department of Commerce, Bureau of Economic Analysis, September 2010
among those peers ranks 16

National Comparisons

